

## Making Washington Work Better

***“Just as our successful Priorities of Government budgeting process matches the state’s financial resources with core state services, Washington Works realigns the human resources of state government with the business requirements of delivering services in the 21<sup>st</sup> century.”***

— Governor Gary Locke  
November 20, 2003

**P**ERSONNEL SYSTEM REFORM in Washington State is about good government, good management and better service to the public.

We in Washington State government – and at state colleges and universities – have a workforce that we are proud of, and big changes are in the works to make it even better. The transformation may be uncomfortable for some – they may be reluctant to let go of what’s familiar – but the state, labor and business agreed to this course when the Legislature passed the Personnel System Reform Act in 2002.

Washington Works is the coordinated effort to use provisions of the Personnel System Reform Act of 2002 – civil service reform, collective bargaining and competitive contracting – to improve Washington’s high-performance government. We are moving forward and we are on schedule. All components of the law are to be implemented by July 1, 2005.



*A Great Workforce, Getting Better.*

### The Biggest Change in 40 Years

Work rules, labor agreements and contracting regulations that Washington State employees have been living under for 40 years are out of date and deprive the state of the tools it needs to provide better service to the public, and to build a better workplace for its employees by treating employees fairly, providing more flexibility, providing career opportunities and giving managers tools to manage effectively.

**The new civil service system** – including hiring, job classification and compensation – will give managers the ability to meet changing business needs and improve employees’ opportunities for mobility in the workforce, performance recognition and career success.

**Competitive contracting** will give the state a competitive edge by challenging both state employees and the private sector to improve services and get better results at a competitive price.

**Collective bargaining** is broadened to include pay and benefits – so union members in state government have the same rights as their counterparts in other government jurisdictions.

---

#### Lead Agencies:

Office of Financial Management  
Department of General Administration  
Department of Personnel

#### Media Contacts:

Ed Penhale, Communications Director  
Phone: (360) 902-0619  
Email: [ed.penhale@ofm.wa.gov](mailto:ed.penhale@ofm.wa.gov)

Meagan Macvie, Communications Manager  
Phone: (360) 902-0527  
Email: [meagan.macvie@ofm.wa.gov](mailto:meagan.macvie@ofm.wa.gov)

## Good Government

From the new civil service system to collective bargaining to competitive contracting, the three component parts of Washington Works operate together to accomplish our goal of better government and improved service to the public.

**Civil service reform eliminates overly complex personnel rules** that limit job mobility, career advancement and the state's ability to meet changing civil service workforce needs. What this means is that managers will have the ability to better match personnel with the work to be done and employees will have more opportunities to advance in their careers and have performance properly recognized.

- ★ Employees who demonstrate a commitment to public service and excel in their jobs can more easily be recruited, promoted and rewarded based on documented performance.
- ★ In the world of civil service reform, however, managers will have more options for addressing personnel needs, but that means managers will have to live up to higher standards of accountability.
- ★ New civil service rules apply to all employees, although collective bargaining agreements can supercede new civil service rules in the case of employees represented by unions. But the goals of civil service reform – a more adaptable and efficient workforce – are the same as collective bargaining and contracting out.
- ★ The job classification system will be streamlined. The 2,400 classes that now exist will be reduced substantially – to about 1,000 classes. Current job classes will be consolidated into broad occupational categories. Salary ranges will be consolidated into fewer, wider bands.

Supporting these changes, and necessary to carry them out, is replacement of the current payroll system. A new human resources management system (HRMS) – the computer hardware and software needed to administer the new personnel system – is being developed.

**Competitive contracting is authorized** by the new law. The purpose is to help state agencies and higher education institutions find more cost-effective ways to provide services, and it provides the private sector a new opportunity to help the state develop a competitive edge.

By expanding contracting to services “traditionally and historically provided by state employees,” this provision will deliver results whether it's brought into play or not. That is because employees will see it for what it was meant to be – an excellent opportunity to redesign how they do their jobs in order to deliver better results to those they serve at a competitive price.

- ★ In the first step of the contracting process, employees providing a service made subject to contracting get the opportunity to propose to management alternatives that will achieve the objectives sought through contracting. If the alternatives recommended by employees are accepted by their agency, then the contracting proposal is put aside.

- ★ If contracting goes forward, affected employees can form an employee business unit, known as an EBU, to compete with other bidders for the work. This means an EBU that submits a winning bid can, with agreement of the contracting agency, operate outside the limits imposed by civil service rules or labor contracts.
- ★ Potentially, an EBU living up to its performance agreement can determine organization of the unit, salaries, work rules, training and any other accommodation the EBU believes will support its success. The employees in an EBU will keep the pension and health benefits that other employees have.
- ★ If a contract is awarded to a private-sector company or nonprofit organization, the winning bidder will be encouraged to hire displaced state workers.

**Collective bargaining is expanded** and now the focus is where it should be – on salary and benefits. In the past, bargaining with state union organizations precluded critical wage-and-benefits issues, which resulted in discretionary management rights winding up on the bargaining table. Now, a unified collective bargaining system for wages and benefits will focus negotiations on critical employee issues, simplify the bargaining process and reduce the number and complexity of contracts.

- ★ Our goals in collective bargaining are fair and affordable labor agreements that improve workplace performance and service delivery.
- ★ There will be one master agreement with each union with 500 members or more. Unions with less than 500 members will be consolidated into one bargaining unit for the purpose of establishing a master agreement for their members.
- ★ Each master agreement will apply to all agencies with employees represented by a union.
- ★ The Legislature must approve the fiscal terms of the contracts.
- ★ Mandatory subjects for bargaining include wages, hours, other conditions of employment and the dollar amount expended for health insurance benefits.
- ★ Subjects prohibited from bargaining include pensions, management rights, the financial basis for layoffs, supervision of staff and other managerial prerogatives.
- ★ Employees excluded from collective bargaining include Washington Management Service, exempt and confidential employees, internal auditors, employees of the Department of Personnel, employees of the Office of Financial Management, employees of the Public Employment Relations Commission and certain employees of the state Attorney General's Office.

See the Washington Works website at [www.washingtonworks.wa.gov](http://www.washingtonworks.wa.gov) for more information on this combined effort to make the state's first-class workforce even better. And keep up with the latest developments in the current issue of the Washington Works newsletter, *In the Works*.